

## 3 Radio and audio content

### 3.1 Recent developments in Wales

On 24 June 2012, Global Radio acquired the outstanding share capital in GMG Radio (re-named Real and Smooth Ltd). On 2 August 2012, the then Secretary of State for Culture, Media and Sport, Jeremy Hunt, issued an intervention notice in relation to the proposed acquisition. The notice specified *“the need, in relation to every different audience in the United Kingdom or in a particular area or locality of the United Kingdom, for there to be a sufficient plurality of persons with control of the media enterprises serving that audience”*. He asked Ofcom to investigate and to report to him with advice and recommendations by 28<sup>th</sup> September 2012. In North Wales and the Cardiff area, we identified that before the merger there had been comparatively few news media providers available to consumers. We therefore looked particularly closely at this area.

Although the merger resulted in a reduction in the number of media owners, we found that there will continue to be a variety of other platforms, including TV, newspapers and online. In relation to nations’ /regional /local news and current affairs, we did not identify any substantive plurality concerns resulting from the transaction. Our advice to the Secretary of State was that we did not consider that it is, or may be, the case that Global Radio’s acquisition of GMG Radio operates, or may be expected to operate, against the public interest.<sup>28</sup>

As in the case with all such changes of control, Section 355 of the Communications Act requires Ofcom to undertake a review of each analogue radio station’s Character of Service. In the case of Wales, additional programming obligations, reflecting the content that the previous owner had been delivering, have been incorporated into the Format for Real Radio Wales, adding news and sport into the character of service as “important ingredients.”

In October 2012, the Office of Fair Trading referred the merger to the Competition Commission and it published the result of its investigation in May 2013. The Competition Commission decided that Global Radio must sell radio stations in seven areas of the UK, including Cardiff and North Wales following its completed acquisition of Real and Smooth Limited<sup>29</sup>.

In other developments in the radio sector, Swansea Bay Radio Ltd. requested a change in the character of service of Nation Hits (formerly Nation 80s and Bay Radio), to limit the requirement to deliver certain speech requirements. Ofcom sought views on the requested changes and subsequently decided to reject the Format Change Request on the basis that the departure from the existing Format would narrow the range of programmes available to listeners in the Swansea area.

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<sup>28</sup> Ofcom’s report on the public interest test on the acquisition of GMG’s radio stations by Global Radio, 11 October 2012 <http://stakeholders.ofcom.org.uk/binaries/consultations/gmg-radio-holdings/annexes/final.pdf>

<sup>29</sup> Competition Commission report 21 May 2013 [http://www.competition-commission.org.uk/assets/competitioncommission/docs/2012/global-radio-gmg/130521\\_global\\_radio\\_gmg\\_final\\_report.pdf](http://www.competition-commission.org.uk/assets/competitioncommission/docs/2012/global-radio-gmg/130521_global_radio_gmg_final_report.pdf)

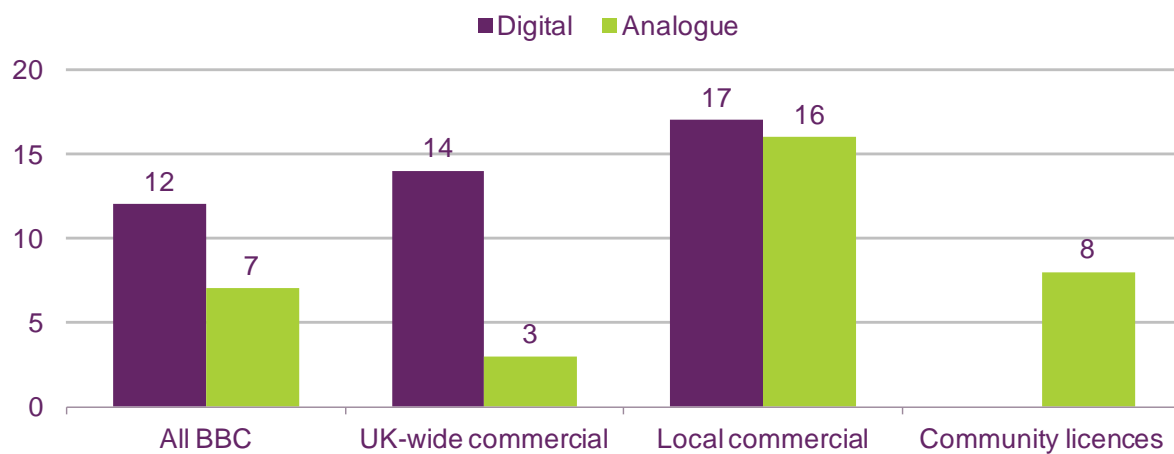
## 3.2 Radio service availability

### Listeners in Wales have access to up to 75 radio services

In April 2013, a new DAB multiplex serving north-east Wales and west Cheshire commenced transmission. This has resulted in the number of DAB services exceeding the number of existing analogue services for BBC, UK-wide commercial and local commercial services. The multiplex line-up is BBC Radio Wales, BBC Radio Cymru, Dee on DAB, Real Radio Wales, Nation Radio and 107.6 Juice FM.

However, the local radio multiplex licence for South Wales / Severn Estuary was not renewed, and expired on 29 July 2013. The frequencies on which this local radio multiplex service broadcast will be used to improve the coverage of other local DAB radio multiplex services, helping to provide more consistent availability of DAB throughout the UK.

Figure 3.1 Radio station availability: Wales



Source: Ofcom, April 2013 Note: This chart shows the maximum number of radio services available in Wales; local variations along with reception constraints mean that listeners may not be able to access all of these

## 3.3 Community radio broadcasting

### Four licence awards made

Four community radio licences were awarded in April 2012, and the stations are preparing to start broadcasting. These services are for Anglesey/Ynys Môn, Harlech, Bodelwyddan (Denbighshire), and Carmarthenshire, Ceredigion and north Pembrokeshire.

In 2013, there were eight community radio stations on air in Wales – the same as in the previous two years.

The Welsh Government has also recently announced a one-year extension to its community radio fund, following a review. All 12 licensed community radio stations in Wales were eligible to apply for a share of the £100,000 fund.

The nine radio stations that were awarded grants are:

- Bro Radio - £12,260
- BRFM - £10,072

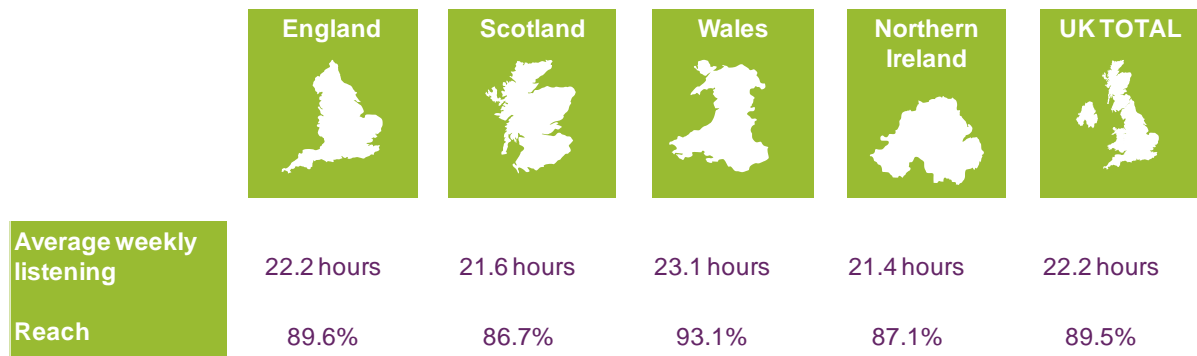
- Calon FM - £12,260
- GTFM - £12,260
- Point FM - £12,260
- Radio Beca - £10,000
- Radio Cardiff - £9,298
- Radio Tircoed - £9,330
- Tudno FM - £12,260

### 3.4 Patterns of listening to audio content

#### More people in Wales than in any other nation listen to the radio

Radio services reached 93.1% of the adult population in Wales, the highest of all the UK nations and 3.5 percentage points higher than the UK average of 89.5%. Listeners in Wales also listened for longer. Adult radio listeners in Wales spent an average of 23.1 hours each week listening to the radio in 2012, the highest across all of the UK nations. (Figure 3.2).

**Figure 3.2 Average weekly reach and listening hours: 2012**



Source: RAJAR, All adults (15+), year ended Q4 2012. Reach is defined as a percentage of the area's adult population who listen to a station for at least five minutes in the course of an average week.

#### BBC radio stations remain more popular in Wales than in other nations

In 2012, BBC radio stations accounted for 61% of all listening hours in Wales, a higher share for this sector than in any other UK nation. Over half (51%) of all listening hours were to the BBC network stations, again higher than in any other nation and higher than the UK average of 46%. The BBC network stations have gained listening share at the expense of BBC Radio Wales and Radio Cymru; as BBC network stations' share of listening grew by two percentage points year on year, the BBC's national services share fell by the same amount. The share of listening to local commercial stations in Wales was the lowest of all the nations, accounting for 25% of all listening. (Figure 3.3)

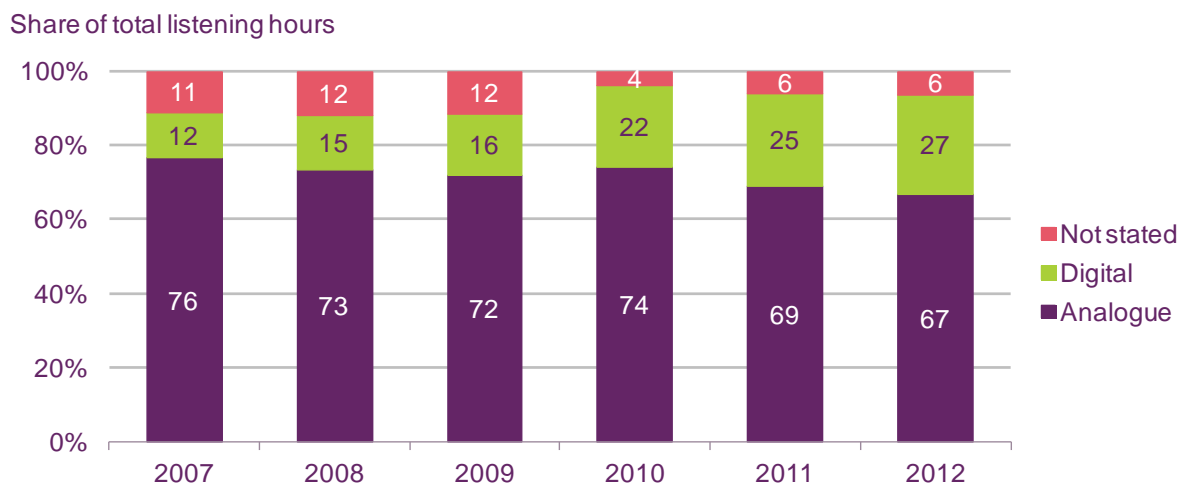
**Figure 3.3 Share of listening hours, by nation: 2012**



Source: RAJAR, All adults (15+), year ended Q4 2012

While the fall in ‘not stated’ (i.e. respondents not indicating ‘digital’ or ‘analogue’ over this six-year period) reflects a change in RAJAR methodology rather than a listening shift, an underlying trend is still evident: take-up of digital radio listening in Wales has grown by over a fifth in the past three years. Over two-thirds share of listening remains on analogue.

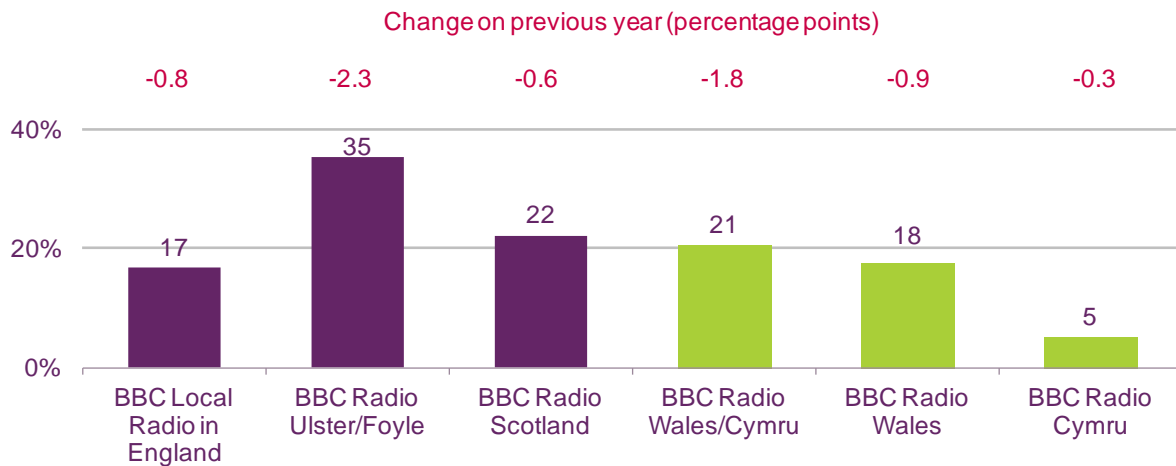
**Figure 3.4 Share of listening hours via digital and analogue platforms in Wales: 2007-2012**



Source: RAJAR, All adults (15+), calendar years 2007 - 2012

One fifth (21%) of adults listened to BBC Wales/Radio Cymru in an average week in 2012, a fall of 1.8 percentage points on the previous year. The proportion of adults listening to BBC Radio Cymru was on a par with 2011, and it reached 5% of the population in an average week in 2012. Listening to nations-based BBC stations was slightly less popular in Wales than elsewhere, with BBC Radio Scotland reaching 22% of adults per week and BBC Radio Ulster 35%.

**Figure 3.5 Weekly reach for BBC national/local services**



Source: RAJAR, All adults (15+), year ended Q4 2012

### 3.5 Digital radio set ownership and listening

#### Ownership of DAB radios is significantly lower than the UK average

Just over one in four (27%) of those who listen to radio in Wales own a DAB radio (a 2% decrease since 2012); this compares with the UK average of 41%. Rural locations have seen the highest level of decline, with just over three in ten (31%) radio listeners having a DAB radio, compared with 37% in 2012. This has brought the levels of ownership closer between rural and urban radio listeners (31% vs. 26%).

**Figure 3.6 Ownership of DAB radios**



Q4. You said earlier that you have (NUMBER) radio sets in your home that someone in the household listens to in most weeks. How many of these radio sets are digital radios?

Source: Ofcom research, Q1 2013

Base: Adults aged 16+ who listen to radio (n = 2910 UK, 383 Wales, 1747 England, 375 Scotland, 405 Northern Ireland, 195 Wales urban, 188 Wales rural, 638 Wales 2008, 848 Wales 2009, 854 Wales 2010, 397 Wales 2011, 405 Wales 2012, 383 Wales 2013)

Note: Remaining percentages are Don't know responses.

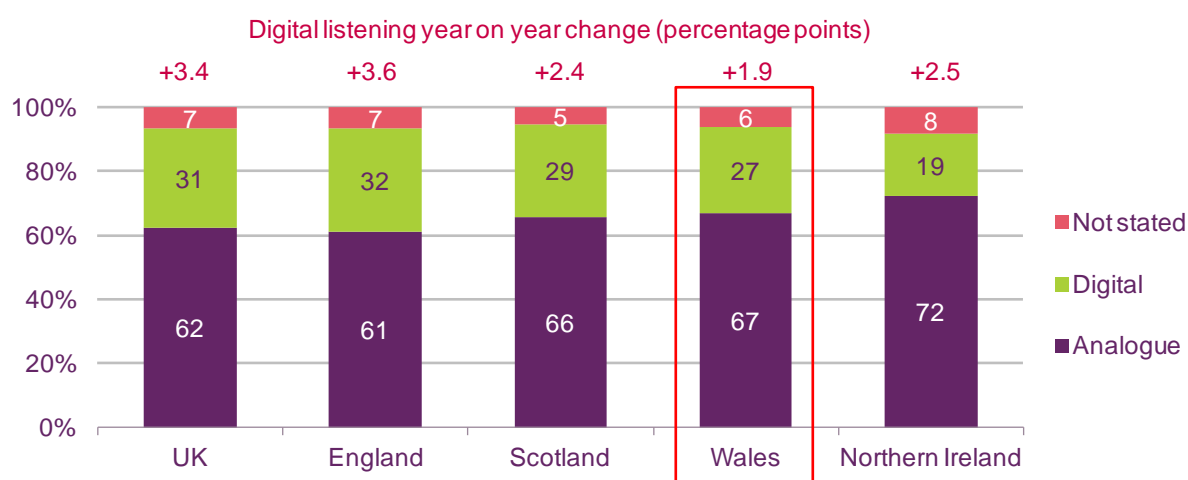
NB. Data in 2011 based on those who listen to radio and have any radio sets in the household that someone listens to in most weeks.

### Year-on-year growth in digital listening was lowest in Wales

The proportion of listening through a digital platform in Wales grew by 1.9 percentage points in 2012; a smaller increase than in any other UK nation.

Alongside the lower than average take-up of DAB sets in Wales, digital listening was lower than average at 27%, broadly comparable to Scotland and higher than Northern Ireland. Although the digital listening shown in Figure 3.7 includes listening via digital television and online, the majority of digital listening is via a DAB set, so it is not surprising that lower DAB take-up is reflected in a lower proportion of digital listening.

**Figure 3.7 Share of listening hours via digital and analogue platforms: 2012**



Source: RAJAR, All adults (15+), year ended Q4 2012

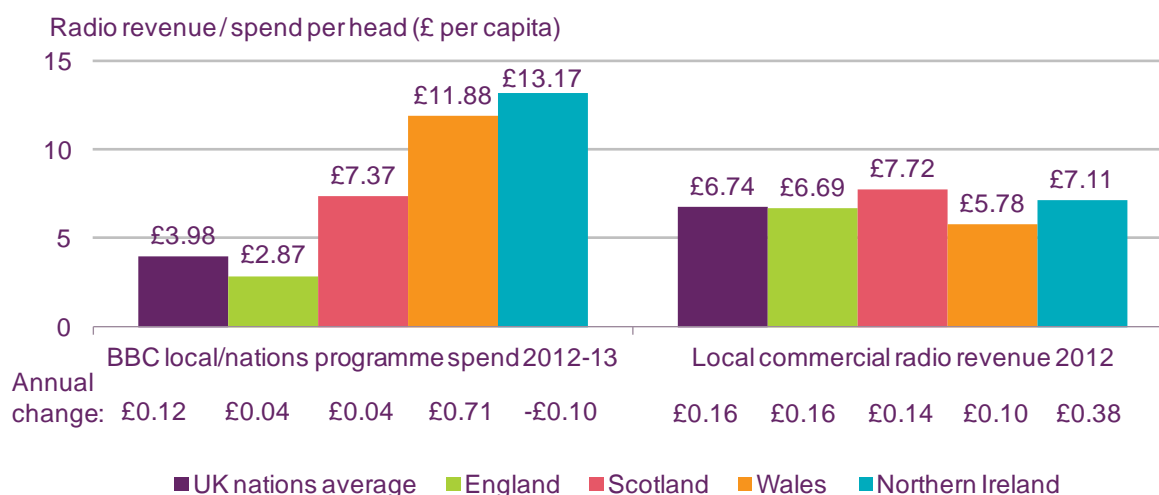
### 3.6 The radio industry

#### Commercial radio revenue per head of population was lowest in Wales

The revenues generated by local commercial radio stations in Wales stood at £17.7m in 2012. Adjusting for population size, Wales has the lowest revenue per head of all the UK nations, despite a £0.10 increase on 2011. (Figure 3.8)

BBC Radio spend on BBC Wales and BBC Cymru totalled £36.4m in 2012-13, an 8% increase year on year. Expenditure per head at £11.88 was the second highest of all the nations and an increase of £0.71 on the previous year. This is due to the smaller population in Wales and the added expenditure of running two services.

**Figure 3.8 Local /nations' radio spend and revenue, per head of population: 2012-13**



Source: Broadcasters

Note: The UK total shows the average for local commercial radio across the four nations and therefore excludes revenues for the UK-wide commercial stations: Classic FM, talkSPORT and Absolute.